BRITISH COLUMBIA
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BC Stats

Infoline

Contact: bcstats.infoline@gov.bc.ca Issue: 10-33 August 20, 2010

- **Consumer prices in BC jump 2.0% in July**
- **Manufacturing sales advance 2.1% in June**
- **Visitor entries to BC edge down 0.1% in June**

Prices

- **Compared to the same month last year, consumer prices in British Columbia jumped 2.0% in July.** This increase is related to the introduction of the Harmonized Sales Tax on July 1st as well as an upswing in the cost of energy products (+11.2%), particularly electricity (+36.7%) and gasoline (+6.4%). Excluding energy, the Consumer Price Index (CPI) for BC would have risen a more moderate 1.2%.

  While grocery bills shrank (-0.5%) for a seventh consecutive month, the total cost of food rose 2.2% due to a surge in the tab for restaurant meals (+7.5%). Shelter took a larger bite out of the household budget (+2.8%) with soaring utility bills (+18.3%) explaining much of the increase. Household operation & furnishing edged higher (+0.5%) while prices for clothing eased (-1.3%).

  Higher prices at the pump translated into an overall increase for transportation (+2.3%). Likewise, a sharp rise in the price of personal services (+7.0%) helped push health & personal care bills higher (+2.3%). After falling for the past three months, recreation, education & reading material costs rose 1.0% while the price for alcohol & tobacco products also shot up 3.1% in July.

  In BC's largest city, inflation marched on as Vancouver posted a substantial 2.5% increase in consumer prices. Victoria, on the other hand, saw a comparatively moderate average price increase of 1.4%. *Data Source: Statistics Canada*

- **Nationally, consumer prices rose 1.8% in July with all provinces except Manitoba (-0.3%) registering increases.** The largest year-over-year inflation rates were posted in Ontario (+2.9%), Newfoundland & Labrador (+2.1%) British Columbia (+2.0%) and Nova Scotia (+1.7%). The increase in Nova Scotia partly due to a 2 percentage point hike in that province's HST rate. *Data Source: Statistics Canada*

> *It is important to note that starting in July the Harmonized Sales Tax (HST) came into effect in BC and Ontario, resulting in higher prices for services and some goods that were previously non-taxable.*
>
> *The CPI measures changes in prices paid by **consumers**, which includes taxes paid on items. Therefore year-over-year inflation rates for the remainder of 2010 as well as the first half of 2011 will include the effects of this new tax.*

The Economy

- **Manufacturing sales in British Columbia advanced 2.1% (*seasonally adjusted*) in June, the fifth increase registered in the past six months.** A significant rise in sales by paper producers (+3.2%) along with double-digit advances in the transportation equipment (+13.5%) and furniture (+10.5%) industries accounted for the lion's share of the increase. Other industries, including printing (+5.4%), machinery (+2.4%) and wood (+0.8%) also posted gains in June.

  Nationally, manufacturing sales edged up just 0.1% in June as increased shipments in Manitoba (+4.8%) and BC (+2.1%) were largely overshadowed by weaker sales in Saskatche-

Report Room Revenues in the Northeast Development Region

Did you know...

While only one in five Canadians are smokers, only 48% of Canadians and just 30% of British Columbians wish to see smoking outlawed.

Data Source: Angus Reid Public Opinion

wan (-1.4%), Alberta (-0.3%), Ontario (-0.2%) and Quebec (-0.2%). *Data Source: Statistics Canada*

- **British Columbia's wholesalers posted a 2.4% (*seasonally adjusted*) decline in sales for the month of June.** This decrease comes after sales soared 5.2% in the previous month. Weighted down by slowdowns in seven provinces, Canadian sales inched down 0.3%. Gains posted in Alberta (+1.6%) were offset by declines registered in BC, Quebec (-1.2%) and Saskatchewan (-1.9%). *Data Source: Statistics Canada*

Tourism

- **Visitor entries into Canada via BC slipped (-0.1%, *seasonally adjusted*) in June.** Fewer Americans (-0.4%) crossed the border as both same-day (-0.6%) and overnight (-0.2%) entries eased. June saw more visitors come to BC from overseas locations (+0.7%), mainly as a result of an increase in travellers from Asia (+6.0%). However, European entries are still trending down (-5.5%), registering a fourth consecutive monthly decline since the February Olympic boom. Visits from other international locations also inched down (-0.6%).

  Nationally, visitor entries to Canada bounced back (+1.5%) from the previous month as both US (+1.4%) and non-US (+1.6%) visits rose. Quebec (+3.3%) and Ontario (+1.0%) carried a large share of this cross-border influx.

  Data Source: Statistics Canada

Second Quarter in Review

- **During the second quarter of 2010, manufacturing sales in British Columbia advanced 1.3% (*seasonally adjusted*), marking a fourth consecutive quarterly boost in shipments.** Most of the increase came from producers of non-durable goods with the paper industry posting a double-digit (+10.3%) surge in shipments, the most significant increase at the industry level.

  Nationally, sales rose 1.5% as slowdowns in Alberta (-1.0%) and PEI (-1.0%) were offset by Saskatchewan (+3.8%), Ontario (+1.6%) and BC. *Data Source: Statistics Canada*

Health

- **Between 1979 and 2009, the average blood lead (PbB) concentration dropped 72% among those aged 6 to 79 years.** High levels of lead in the blood are known to cause brain and kidney damage. In 1979, the average PbB level present in the population was 4.79 micrograms per decilitre (µg/dL). By 2009, average PbB levels had dropped to just 1.34 µg/dL.

  Even more striking was the decline in the proportion of the population that had PbB levels above the 10 µg/dL threshold beyond which brain and kidney function is impaired. In 1979, fully 27% of Canadians aged 6 to 79 had a PbB level above the 10 µg/dL level. However, by 2009, that figure had declined to less than 1%. A comparable PbB threshold in children is not known precisely, but is believed to be lower than 10 µg/dL.

  In general, men had higher PbB concentrations than women, the result of lead exposure on the job (eg. welding) or while engaged in hobbies where lead is present (eg. soldering). Increased levels of PbB were also associated with lower income households and those with less formal education. Households living in homes older than 50 years were found to have higher PbB levels. Regular smoking and alcohol consumption was also linked with higher levels of lead in the blood. *Data Source: SC Cat. no. 83-003-X*

The Nation

- **The country's composite leading index slid back 0.4% in July with Most of the slowdown was felt in the household sector.** The housing index continued to retreat (-4.1%) from its April peak. The slump in the housing sector was also reflected in a drop (-0.6%) in furniture and appliance sales. Manufacturing continued its recovery with increased shipment and new orders for durable goods.

  Data Source: Statistics Canada

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August 20, 2010

For data originating from Statistics Canada, data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the catalogue number.

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originally published in
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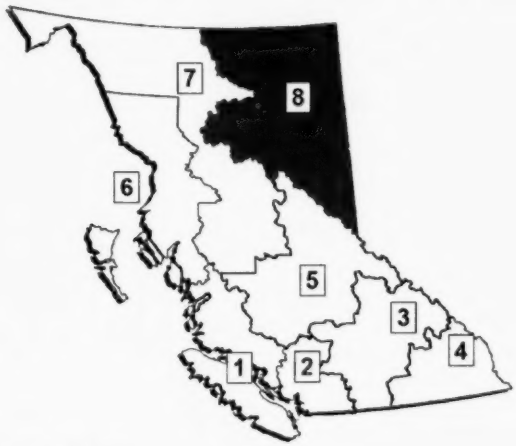
Room Revenues in the Northeast Development Region

Introduction

Tucked away in the upper north-eastern corner of the province, the Northeast Development Region is among British Columbia's largest geographical divisions, encompassing nearly one-quarter (22%) of the province within its borders.



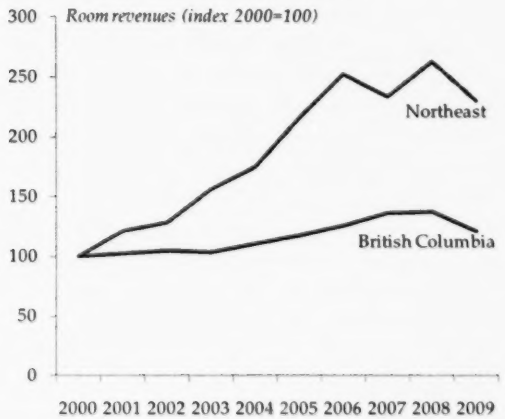
Source: BC Stats

Northeast is made up of two regional districts, Peace River and Northern Rockies[1], which together account for less than 2% of BC's population. Perhaps it is because of its relatively remote location and its wide-open spaces that tourists are drawn to the area. Outdoor activities such as hiking, white-water rafting and fishing make the region an attractive location for travellers looking for a unique opportunity to 'get away'.

Room revenues

The recent global economic downturn put intense pressure on British Columbia's accommodation industry and Northeast was no exception. In 2009, room revenues in Northeast slumped 12%, matching the overall drop in revenues seen across BC. Weaker revenues (-2.7%, seasonally adjusted) recorded during the first quarter of 2010 suggests that recovery remains an ongoing effort. However, notwithstanding the sharp decline in activity, room revenues in Northeast have risen quickly over the past decade. In fact, room revenues have surged by more than 130% between 2000 and 2009, an increase that was six times larger than the provincial average (+21.3%) and well above the level of revenue growth registered in regional neighbours Cariboo (+26.5%) and Nechako (+24.6%).

Room revenues in Northeast have expanded faster than the provincial average

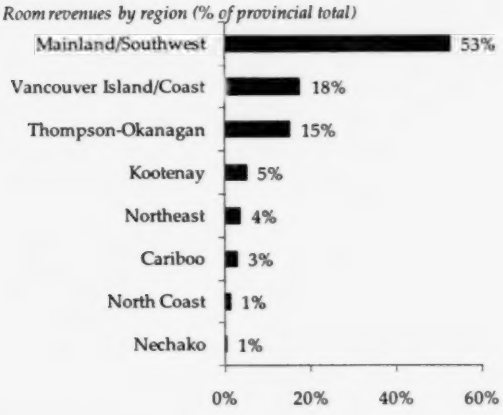


Source: BC Stats

In line with its remote location and relatively small population base, Northeast's share of the province's accommodation market is also small. In 2009, Northeast accounted for just 4% of BC's total room revenues making it the fifth largest contributor out of eight development regions. However, Northeast's share has slowly grown, roughly doubling from the 2% share recorded a decade ago.

[1] Effective February 6th, 2009, this regional district is known as Northern Rockies Regional Municipality

Northeast was BC's fifth largest regional contributor in 2009



Source: BC Stats

Accommodation types

In 2009, there were 77 accommodation properties in Northeast, marginally lower than the 78 properties registered in the previous year. Since 2000, the number of properties in the region has varied only slightly.

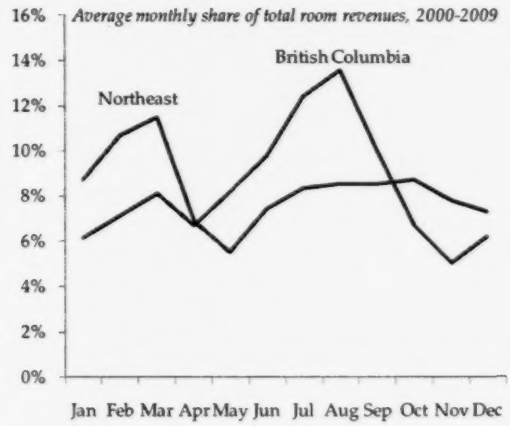
The need to accommodate workers in remote regions is largely reflected in revenues earned by special work camps set up to accommodate workers in the region's forestry, mining and oil & gas industries; a significant percentage of all room revenues earned in Northeast were generated by such camps. The remaining revenues were earned at small-to-medium sized hotels and motels.

Seasonal pattern

Unlike every other region in the province, accommodations in Northeast have their 'busy season' during the first quarter (January to March) of each year.

Between 2000 and 2009 the first three months of the year accounted for roughly one third (31%) of all revenues recorded. The typical 'summer season' (June to August), on the other hand, accounted for less than one quarter (24%) of total annual revenues earned. On a provincial level, the picture is reversed. The 'summer season' brings in well over one third of BC's revenues (36%), while the period from January to March yields less than one quarter (21%) of total annual receipts.

Northeast's 'busy period' lasts from January to March, while the rest of province experiences its peak season during the summer months



Source: BC Stats

While Northeast certainly has winter-based activities available for travellers such as skiing and snowmobiling, it is more likely that the seasonal pattern observed in Northeast is linked to rising and falling employment levels.

Urban centres

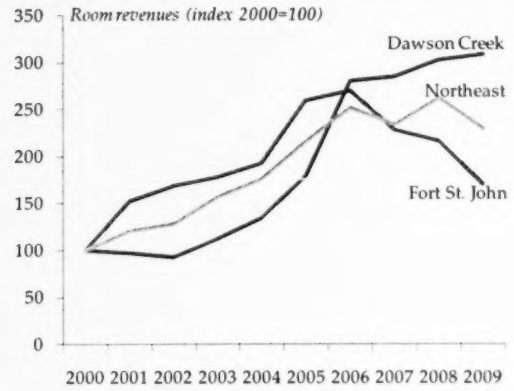
In 2009, half of Northeast's revenues were earned in two urban centres: Dawson Creek (25%) and Fort St. John (25%).

'The Energetic City', Fort St. John certainly experienced an energetic period of growth in room revenues during the first half of the last decade. Between 2000 and 2004, total room revenues had doubled (+92.6%) and nearly tripled (+170%) by the end of 2006. However, in the years following, room revenues have slumped considerably,

falling 15.7% in 2007 and dipping another 4.7% in 2008. As was the case in the rest of the province, poor economic conditions made for a particularly tough year for the local accommodation industry in 2009 when revenues plummeted 21.3%. However, despite weaker revenues, the number of accommodation establishments has remained largely unchanged.

Located at the begining of the famed Alaska Highway and known as 'Mile 0 City', Dawson Creek registered a slowdown in revenues from 2000 to 2002. Between 2003 and 2006, however, revenues soared (+181%) and by 2009, room receipts were more than three times (+208%) the level recorded at the start of the decade. Unlike Fort St. John and the rest of the Northeast region, room revenues continued to inch ahead during the turbulent economic climate present in 2008 (+6.4%) and 2009 (+1.8%). Perhaps because of these stronger revenue figures, the number of accommodation establishments within Dawson Creek has increased slightly.

Dawson Creek room revenues expanded faster than the whole of Northeast which was influenced by a downturn in receipts at Fort St. John



Source: BC Stats

Conclusion

Northeast is unique among the regions of British Columbia and not only for its sheer size. Unlike many other regions in BC, its accommodation industry has strong historical links with the ebb and flow of seasonal employment.

Commensurate with a small population, Northeast's contributions to provincial room revenues are modest compared to other, more densely populated regions. However, recent years has brought rapid room revenue growth, which has far exceeded expansions recoded in neighbouring regions as well as the provincial average.

Infoline

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also on the Internet at www.bcstats.gov.bc.ca or choose RSS

BC at a glance . . .

POPULATION (thousands)	Apr 1/2010	% change on one year ago
BC	4,510.9	1.6
Canada	34,019.0	1.2
GDP and INCOME (Revised Nov 9)		
(BC - at market prices)	2008	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	197,931	3.3
GDP *($ 2002 millions)*	164,520	0.0
GDP *($ 2002 per Capita) (reflects revised pop)*	37,529	-1.7
Personal Disposable Income *($ 2002 per Capita)*	25,931	3.2
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Jun 2010	3,007	2.1
Merchandise Exports - Jun 2010	2,506	2.6
Retail Sales - May 2010	4,885	1.5
CONSUMER PRICE INDEX	% change on	12-month avg
(all items - Jul 2010)	one year ago	% change
BC	2.0	0.3
Vancouver	2.5	0.6
Victoria	1.4	0.2
Canada	1.8	1.0
LABOUR FORCE (thousands)		% change on
(seasonally adjusted)	Jul 2010	prev. month
Jobs Created (Lost) - BC NEW!	16.3	
Labour Force - BC	2,503.0	0.4
Employed - BC	2,315.2	0.7
Unemployed - BC	187.9	-3.3
		Jun 2010
Unemployment Rate - BC *(percent)*	7.5	7.8
Unemployment Rate - Canada *(percent)*	8.0	7.9
INTEREST RATES (percent)	Aug 18/2010	Aug 19/2009
Prime Business Rate	2.75	2.25
Conventional Mortgages - 1 year	3.30	3.75
- 5 year	5.49	5.85
US-CANADA EXCHANGE RATE	Aug 18/2010	Aug 19/2009
(avg. noon spot rate) Cdn $ per US $	1.0289	1.0969
(closing rate) US $ per Cdn $	0.9721	0.9127
AVERAGE WEEKLY WAGE RATE		% change on
(industrial aggregate - dollars)	Jul 2010	one year ago
BC	824.70	4.5
Canada	818.60	2.1

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

BC Student Outcomes – 2009 Highlights

The 2009 Highlights includes findings from the four main post-secondary student outcomes surveys: the Diploma, Associate Degree, and Certificate Student Outcomes (DACSO) Survey, the Apprenticeship Student Outcomes (APPSO) Survey, the Developmental Student Outcomes (DEVSO) Survey, and the Baccalaureate Graduates Survey (BGS).

http://outcomes.bcstats.gov.bc.ca/Libraries/DACSO_Highlights/H09_Student_Outcomes_pdf.pdf

Regional Employment Projections

Updated projections of employment by industry and occupation are now available. The data offers regional detail for College Regions and Development Regions with estimates for 2009 and projections for 2014.

www.bcstats.gov.bc.ca/data/lss/repm.asp

Released this week by BC Stats

- Consumer Price Index, July 2010

Next week

- Quarterly Regional Statistics, 2nd Quarter 2010
- Business Indicators, August 2010

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